

FY2019 Capital Amendments to
HB 284 / SB 142

Line	Back-up Page	Bill Number	Bill Section	Bill Page	Bill Line	Department	Component	Lang	Description	Unrestricted General Funds (UGF)	Designated General Funds (DGF)	Other Funds	Federal Funds	Total	Fund Source
1	CAPITAL AMENDMENTS														
2	42	HB284 / SB142	1	New	New	Natural Resources	Appropriation		Seismic Data Collection Recent federal government actions opened the 1002 area of the Arctic National Wildlife Refuge (ANWR) to oil and gas leasing, exploration and development. Availability of seismic and other data will improve interest in exploring for oil and gas within the 1002 area. This funding allows the state to work with other interested parties to provide seismic and other data which will enhance state revenue from lease sales and decrease time to drilling and production.	\$10,000.0	\$0.0	\$0.0	\$0.0	\$10,000.0	1004 Gen Fund \$10,000.0
3	Funding Summary									\$10,000.0	\$0.0	\$0.0	\$0.0	\$10,000.0	
4	Total of FY2019 May 3 Amendments									\$10,000.0	\$0.0	\$0.0	\$0.0	\$10,000.0	

Project Review Listing (1160)

FY2019 Governor Amended

Natural Resources Only

Department of Natural Resources

Page	AP/AL	Project Title	Fund Source Total
1	AP	Abandoned Mine Lands Reclamation Federal Program 1002 Fed Rcpts	\$3,200,000
4	AP	Cooperative Water Resource Program Pass-through to USGS for Stream Gaging Projects 1108 Stat Desig	\$500,000
6	AP	EVOS Purchase of Interest in Land - Port Valdez 1018 EVOSS	\$5,200,000
8	AP	Federal and Local Government Funded Forest Resource and Fire Program 1002 Fed Rcpts	\$1,400,000
11	AP	Land and Water Conservation Fund Federal Grant Program 1002 Fed Rcpts	\$600,000
15	AP	National Coastal Wetland Conservation Grant 1002 Fed Rcpts	\$650,000
17	AP	National Historic Preservation Fund 1002 Fed Rcpts 1003 G/F Match	\$400,000 \$150,000
20	AP	National Mineral Security Program - 3DEEP 1002 Fed Rcpts 1003 G/F Match	\$15,000,000 \$1,000,000
24	AP	National Recreational Trails Federal Grant Program 1002 Fed Rcpts 1005 GF/Prgm	\$1,500,000 \$200,000
30	AP	Snowmobile Trail Development Program and Grants 1195 SnoMachReg	\$250,000
32	AP	State Parks Public Use Cabins 1005 GF/Prgm	\$300,000
34	AP	USGS Statemap Grant to Spur Mineral Investment and Exploration 1002 Fed Rcpts 1003 G/F Match	\$300,000 \$300,000
37	AP	Legal and Financial Due Diligence for Alaska Liquefied Natural Gas Pipeline Project (AKLNG) 1004 Gen Fund	\$750,000
38	AP	EVOS Purchase of Interest in Land - Kenai Small Parcels 1018 EVOSS	\$1,400,000
40	AP	EVOS Purchase of Subsurface Interest on Afognak and Kodiak Islands 1018 EVOSS	\$3,000,000

* Indicates an appropriation with allocations (amounts not included in totals)

Project Review Listing (1160)
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<u>Page</u>	<u>AP/AL</u>	<u>Project Title</u>	<u>Fund Source Total</u>
42	AP	Seismic Data Collection	
			1004 Gen Fund \$10,000,000
			Unrestricted General (UGF) Total: \$12,200,000
			Designated General (DGF) Total: \$750,000
			Other Total: \$10,100,000
			Federal Total: \$23,050,000
			Department Total: \$46,100,000

Unrestricted General (UGF) Grand Total:	\$12,200,000
Designated General (DGF) Grand Total:	\$750,000
Other Grand Total:	\$10,100,000
Federal Grand Total:	\$23,050,000
Grand Total:	\$46,100,000

* Indicates an appropriation with allocations (amounts not included in totals)

Seismic Data Collection

FY2019 Request: \$10,000,000

Reference No: AMD 61964

AP/AL: Appropriation
Category: Development

Project Type: Research / Studies / Planning

Location: North Slope Borough
Impact House District: Arctic (HD 40)

House District: Arctic (HD 40)
Contact: Fabienne Peter-Contesse

Estimated Project Dates: 07/01/2018 - 06/30/2023

Contact Phone: (907)465-2422

Brief Summary and Statement of Need:

Recent federal government actions opened the 1002 area of the Arctic National Wildlife Refuge (ANWR) to oil and gas leasing, exploration and development. Availability of seismic and other data will improve interest in exploring for oil and gas within the 1002 area. This funding allows the state to work with other interested parties to provide seismic and other data which will enhance state revenue from lease sales and decrease time to drilling and production.

Funding:	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>Total</u>
1004 Gen Fund	\$10,000,000						\$10,000,000
Total:	\$10,000,000	\$0	\$0	\$0	\$0	\$0	\$10,000,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Prior Funding History / Additional Information:

Project Description/Justification:

Given the unexplored nature of the recently opened ANWR 1002 area, the high volumes of oil and gas estimated to be present, and the revenue sharing agreement with the federal government, the 1002 area represents a potentially significant source of revenue for the State of Alaska, from lease sales, production royalties and corporate taxes.

Two lease sales at least 400,000 acres in size are required by law (Section 20001 Tax Act). The first is planned for 2019. Recent initiation of the Coastal Plain Oil and Gas Leasing Program EIS has increased the necessity for the state to engage and provide seismic and other information to facilitate a competitive lease sale.

The lack of publicly available seismic and other petroleum geology data for the 1002 area severely limits industry's ability to evaluate these lands objectively, and reduces the likelihood of a vigorous, competitive lease sale. New, and publically available, seismic and petroleum geology data is required to generate the greatest amount of industry interest in lease sales. A vigorous and competitive lease sale will increase oil and gas lease revenues to the state.

Shooting seismic data ahead of lease sales, and making this data available to industry will shorten the time to drilling, which will reduce time to discovery, and time to first production and the associated long-term revenue generation.

Close liaising between the United States Geological Survey, State of Alaska Divisions of Oil and Gas and Geological & Geophysical Survey staff will be required to determine the optimum location for seismic data collection. The state will collaborate with industry and adjacent landowners to extend the coverage of the seismic survey, to maximize benefit to the state.

Staff from these divisions will collaborate with the USGS, BLM and other federal agencies to provide other petroleum geology, geohydrology, geologic hazards, lidar, and construction material resource information to facilitate the EIS process and to facilitate a competitive lease sale, and rapid, successful exploration.

This project will require hiring experts in seismic operation and interpretation. These necessary experts will assist with this seismic shoot, interpreting the data generated, as well as interpreting, integrating, and thereby leveraging seismic surveys purchased with state tax credits. Funds are included to support staff travel to conduct these activities, and to evaluate and monitor seismic shoot activities.

The legislature and Governor recently passed and signed legislation into law enabling the Geologic Material Center (GMC) to charge fees for making tax credit seismic data publically available. Experience at the GMC making seismic data available indicates the data is in strong demand; industry is obtaining the data and using it for oil and gas exploration. This project will integrate acquired data into that available from the facility and leverage these recently developed state capabilities.